

2007 FEB -8 PM 2: 37

BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)	
)	MUR 5765
Crop Production Services, Inc.)	
Thomas Warner)	
Alan Steele)	
Denny Horstman)	
Duane Mol)	

CONCILIATION AGREEMENT

This matter was initiated by a *sua sponte* submission filed with the Federal Election Commission ("Commission") by Crop Production Services, Inc. ("CPS"). The Commission found reason to believe that CPS and Thomas Warner each violated 2 U.S.C. §§ 441b(a) and 441f, and that Alan Steele, Denny Horstman and Duane Mol each violated 2 U.S.C. § 441f (together, "Respondents").¹

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

¹ The facts relevant to this matter occurred both prior to and after the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat 81 (2002). Accordingly, the activity prior to BCRA is subject to the provisions of the Federal Election Campaign Act of 1971, as amended, as it existed at that time and the activity after BCRA is subject to the Act as amended by BCRA.

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III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. CPS is a corporation within the meaning of 2 U.S.C. § 441b(a).
2. Thomas Warner was vice president of CPS during the time of the actions described in this agreement.
3. Alan Steele, Denny Horstman and Duane Mol were managers at CPS during the time of the actions described in this agreement.
4. Agricultural Retailers Association Political Action Committee ("ARA-PAC") is a political committee within the meaning of 2 U.S.C. § 431(4) and is the separate segregated fund of the Agricultural Retailers Association ("ARA").
5. The Federal Election Campaign Act of 1971, as amended (the "Act"), prohibits a corporation from making contributions in connection with any election for federal office. 2 U.S.C. § 441b(a). The Act also prohibits any officer or director of a corporation from consenting to a contribution by the corporation. *Id.*
6. No person shall make a contribution in the name of another or knowingly permit their name to be used to effect a contribution in the name of another. 2 U.S.C. § 441f.
7. CPS reimbursed Thomas Warner, Alan Steele, Denny Horstman and Duane Mol for contributions they made to ARA-PAC in the form of

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1 purchases at fundraising auctions at the ARA Annual Conference and
2 Exposition in December 2001, December 2002 and December 2003.

3 8. At the fundraising auction at the ARA Annual Conference and Exposition
4 in December 2001, Alan Steele placed the winning bid on certain
5 agricultural equipment. Mr. Steele wrote a contribution check to ARA-
6 PAC in the amount of \$7,800 dated December 7, 2001. CPS reimbursed
7 Mr. Steele for this contribution.

8 9. At the fundraising auction at the ARA Annual Conference and Exposition
9 in December 2002, Alan Steele placed the winning bids on certain
10 agricultural equipment. Thomas Warner wrote a contribution check to
11 ARA-PAC in the amount of \$11,100 dated December 12, 2002. CPS
12 reimbursed Alan Steele for this contribution, and Mr. Steele paid an
13 equivalent amount to Thomas Warner.

14 10. At the fundraising auction at the ARA Annual Conference and Exposition
15 in December 2003, Alan Steele placed the winning bids totaling \$16,750
16 on certain agricultural equipment and also made a \$100 cash donation.
17 Debra Warner, Thomas Warner's spouse, placed the winning bids on other
18 items totaling \$555. Mr. Steele wrote a contribution check to ARA-PAC
19 in the amount of \$9,600 dated December 16, 2003. Thomas Warner wrote
20 a contribution check to ARA-PAC in the amount of \$7,805 dated
21 December 16, 2003. CPS reimbursed Alan Steele in the amount of
22 \$16,850. From that sum, Mr. Steele paid \$7,250 to Thomas Warner. CPS

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1 reimbursed Debra Warner for the \$555 total of her winning bids. In
2 January 2004, ARA-PAC refunded Thomas Warner's contribution as
3 excessive when aggregated with his contribution check dated
4 December 12, 2002, which ARA-PAC disclosed as receiving on
5 January 10, 2003. Mr. Warner wrote a new check to ARA-PAC in the
6 amount of \$7,805 dated January 26, 2004.

7 11. Also at the fundraising auction at the ARA Annual Conference and
8 Exposition in December 2003, Denny Horstman placed the winning bid on
9 certain agricultural supplies and also made a \$100 cash donation. Mr.
10 Horstman wrote a contribution check to ARA-PAC in the amount of
11 \$2,900 dated December 16, 2003. CPS reimbursed Mr. Horstman for this
12 contribution.

13 12. Also at the fundraising auction at the ARA Annual Conference and
14 Exposition in December 2003, Duane Mol placed the winning bid on
15 certain agricultural supplies and also made a \$100 cash donation. Mr. Mol
16 wrote a contribution check to ARA-PAC in the amount of \$4,100 dated
17 December 16, 2003. CPS reimbursed Mr. Mol for this contribution.

18 13. The contributions set forth in Paragraphs IV.8 - IV.12 above were intended
19 for the benefit of CPS, which received the items purchased at auction for
20 use in its business. On most occasions, CPS traded the items back to the
21 vendors that initially donated the items for the auction, in exchange for

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1 credits or other business products of equivalent value. On a few
2 occasions, CPS made use of the actual auction items.

3 14. Thomas Warner approved the CPS reimbursements to Alan Steele, Debra
4 Warner, Denny Horstman and Duane Mol set forth in Paragraphs IV.8 -
5 IV.12 above.

6 15. In September 2005, CPS notified the Commission of the contribution
7 reimbursements and other facts set forth above in Paragraphs IV.7 - IV.14.
8 In September 2005, CPS also notified the ARA of the reimbursements.
9 ARA-PAC and the ARA, which had transferred portions of the
10 contributions received by the PAC into an administrative account,
11 refunded to Thomas Warner, Alan Steele, Denny Horstman and Duane
12 Mol the amounts of their contribution checks. Respondents Denny
13 Horstman and Duane Mol then paid to CPS the amounts of their refunds.
14 In the case of Thomas Warner and Alan Steele, Mr. Warner first paid to
15 Mr. Steele the amount of reimbursements to Mr. Warner that were paid
16 initially by CPS through Mr. Steele. Mr. Steele then paid to CPS the
17 amount he received from Thomas Warner plus the amount of refunds he
18 received from ARA-PAC and the ARA. In addition, Debra Warner paid
19 \$555 to CPS, the amount of her reimbursement. Finally, CPS paid to the
20 vendors who had donated the auctioned items the value of the various
21 items.

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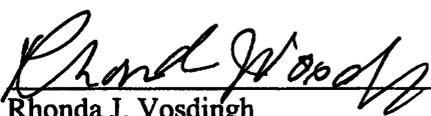
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1 becomes effective to comply with and implement the requirements contained in this agreement
2 and to so notify the Commission.

3 X. This Conciliation Agreement constitutes the entire agreement between the parties
4 on the matters raised herein, and no other statement, promise, or agreement, either written or
5 oral, made by either party or by agents of either party, that is not contained in this written
6 agreement shall be enforceable.

7 FOR THE COMMISSION:

8 Lawrence H. Norton
9 General Counsel

10 BY: 
11 Rhonda J. Vosingh
12 Associate General Counsel
13 for Enforcement

2/26/07
Date

14 FOR THE RESPONDENTS:

15 
16 (Name) Richard Gearheart
17 (Position) CEO

2/5/07
Date

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1 becomes effective to comply with and implement the requirements contained in this agreement
2 and to so notify the Commission.

3 X. This Conciliation Agreement constitutes the entire agreement between the parties
4 on the matters raised herein, and no other statement, promise, or agreement, either written or
5 oral, made by either party or by agents of either party, that is not contained in this written
6 agreement shall be enforceable.

7 FOR THE COMMISSION:

8 Lawrence H. Norton
9 General Counsel

10 BY:

11 Rhonda J. Vosdigh
12 Associate General Counsel
13 for Enforcement

Date

14 FOR THE RESPONDENTS:

15 
16 (Name) T.S. Warron
17 (Position)

2-1-07
Date

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1 becomes effective to comply with and implement the requirements contained in this agreement
2 and to so notify the Commission.

3 X. This Conciliation Agreement constitutes the entire agreement between the parties
4 on the matters raised herein, and no other statement, promise, or agreement, either written or
5 oral, made by either party or by agents of either party, that is not contained in this written
6 agreement shall be enforceable.

7 FOR THE COMMISSION:

8 Lawrence H. Norton
9 General Counsel

10 BY:

11 Rhonda J. Vosdigh
12 Associate General Counsel
13 for Enforcement

Date

14 FOR THE RESPONDENTS:

15 Alan Steele
16 (Name) ALAN STEELE
17 (Position)

Date 2/1/07

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1 becomes effective to comply with and implement the requirements contained in this agreement
2 and to so notify the Commission.

3 X. This Conciliation Agreement constitutes the entire agreement between the parties
4 on the matters raised herein, and no other statement, promise, or agreement, either written or
5 oral, made by either party or by agents of either party, that is not contained in this written
6 agreement shall be enforceable.

7 FOR THE COMMISSION:

8 Lawrence H. Norton
9 General Counsel

10 BY:

11 Rhonda J. Vosdingh
12 Associate General Counsel
13 for Enforcement

Date

14 FOR THE RESPONDENTS:

15 
16 (Name)
17 (Position) Denny Horstman

2-1-07

Date

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1 becomes effective to comply with and implement the requirements contained in this agreement
2 and to so notify the Commission.

3 X. This Conciliation Agreement constitutes the entire agreement between the parties
4 on the matters raised herein, and no other statement, promise, or agreement, either written or
5 oral, made by either party or by agents of either party, that is not contained in this written
6 agreement shall be enforceable.

7 FOR THE COMMISSION:

8 Lawrence H. Norton
9 General Counsel

10 BY:

11 _____
12 Rhonda J. Vosdigh
13 Associate General Counsel
for Enforcement

Date

14 FOR THE RESPONDENTS:

15 _____
16 (Name)
17 (Position)

Date

2/3/07

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